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May 22, 2020

**VIA ELECTRONIC FILING**

Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

Re: Actions in Response to COVID-19  
Docket No. 2020-106-A

Dear Ms. Boyd:

Pursuant to Commission Order No. 2020-372, I have attached for filing with the Commission the comments of Piedmont Natural Gas Company, Inc. in Docket No. 2020-106-A.

I would also advise the Commission of Piedmont's intention to participate in the virtual forum in this proceeding scheduled for May 27, 2020. Bruce Barkley, VP Rates and Natural Gas Supply, will present Piedmont's comments and be available for questions from the Commission regarding Piedmont's COVID-19 pandemic response at that time. Lesley Quick, VP Strategic Planning, Governance and Technology for Duke Energy, will also be available for questions.

Thank you for your assistance with this matter. If you have any questions regarding this filing, you may reach me at the number shown above.

Sincerely,

/s/ T. Richmond McPherson III  
T. Richmond McPherson

TRM/bms

Enclosure

cc: ORS  
Bruce Barkley  
Pia Powers

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2020-106-A**

In the Matter of

Actions in Response to  
COVID-19

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**COMMENTS OF  
PIEDMONT NATURAL GAS  
COMPANY, INC.**

Piedmont Natural Gas Company, Inc. (“Piedmont”), through counsel and in response to Order No. 2020-372 issued by the Public Service Commission of South Carolina (“Commission”) in this proceeding on May 14, 2020 (“Order Requesting Comments”), respectfully submits the following comments and information for the Commission’s consideration.

On May 8, 2020, the Office of Regulatory Staff (“ORS”) filed a Motion to Solicit Comments from Utilities and Other Interested Stakeholders Regarding Measures to be Taken to Mitigate Impacts of COVID-19 on Utility Customers and Require Recordkeeping (“ORS Motion”). In response to the ORS Motion, the Commission issued its Order No. 2020-372 requesting comments by May 22, 2020 and requiring utilities to track COVID-19 related revenue impacts and incremental costs and savings. The Commission’s Order Requesting Comments also requested comments related to the waiver of regulations related to late payment charges, the waiver of reconnection fees, “return to normal” plans and other matters as addressed in Commission Order. Piedmont hereby submits the following response to the Commission’s Order Requesting Comments.

## **I. Overview of Response to Date and Impacts from Covid-19**

As described in prior filings in this docket, in mid-March, 2020, Piedmont suspended disconnection of South Carolina customers for non-payment, reconnected some prior non-payment disconnections, and began waiving late payment fees and returned check fees for all customers in response to the looming COVID-19 pandemic. Similarly, Piedmont has advised the Commission in prior filings concerning a number of operational changes it adopted in light of the pandemic, including deferral of close contact work in the field, reconstitution of call center operations, and thermal scanning and special cleaning arrangements for operational and corporate centers. Employee business travel, with very few critical exceptions, has been suspended and Piedmont has also instituted work from home options for employees where possible. Although many Company employees were able to work from home, many employees remained on the front lines to maintain Piedmont's critical infrastructure and services.

Upon completion of its merger with Duke Energy in 2016, Piedmont's charitable foundation was combined with the Duke Energy Foundation. As a responsible corporate citizen of South Carolina, the Duke Energy Foundation has given more than \$760,000 in aid during the Covid-19 pandemic in South Carolina, including: (1) \$250,000 in COVID-19 related grants to support hunger relief and social services; (2) \$150,000 to support utility assistance programs; and (3) \$20,000 to April tornado relief in Pickens and Oconee Counties. The Duke Energy Foundation also recently granted more than \$340,000 to support energy, engineering and environmental educational initiatives through its Powerful Communities: K-12 Education priority; such funds were disbursed to 14 organizations. To insure the maximum benefit from contributions, grant recipients were afforded the option to use the funds for unforeseen

operational challenges, if the program they originally filed the grant for was impacted due to COVID-19.

Through its customer representatives, Piedmont has also utilized the maximum flexibility possible to assist customers with the establishment of payment plans and has also encouraged customers to pay what they can to avoid the accumulation of past due amounts. Piedmont intends to continue to engage in such processes as we go forward in the post-emergency phase of the pandemic. In addition, Piedmont added a section to its website devoted to its COVID-19 response that is refreshed with helpful information for customers.

## **II. Potential Measures to Mitigate COVID-19 Impact**

ORS's Motion identified several potential modifications to utility practices that could potentially assist utilities and their customers to counteract the impacts of COVID-19 and those potential modifications are set forth below. As background to that discussion, Piedmont advises the Commission that its payment arrearages have increased by approximately \$1.2 million (67%) from February 2020 through the end of April 2020.

**1. On-Line Payment and Credit Card Processing Fees.** Credit card fees and online fees charged to individual customers are incorporated into Piedmont's base rates and therefore, are not billed to customers directly (except as mentioned below). Reductions in natural gas usage, as Piedmont is currently experiencing, is impacting its ability to recover such expenses along with all of Piedmont's other operating expenses. The only case in which customers would normally incur discrete on-line payment or credit card fees is where a customer elects to use Speedpay to pay an outstanding bill. That charge is typically billed directly to the customer by the Speedpay provider but since the beginning of the pandemic, Piedmont has instructed the Speedpay provider to bill Piedmont for all such fees. Piedmont plans to reinstitute

its normal practices on Speedpay charges no earlier than July, 2020 to help customers navigate this crisis, as well as extending deferred payment arrangements.

**2. Late Payment Fees.** In mid-March, 2020, Piedmont began waiving late payment fees for all customers. As of May 16, Piedmont has waived approximately \$80,000 in late payment fees for residential and non-residential customers in South Carolina. We plan to reinstitute such fees no earlier than July to help customers navigate this crisis, as well as extending deferred payment arrangements.

**3. Returned Check Charges.** In mid-March, 2020, Piedmont began waiving returned check fees for all customers. As of May 16, Piedmont has waived approximately \$1,900 in returned check fees for residential and non-residential customers in South Carolina. We plan to reinstitute such fees no earlier than July, 2020 to help customers navigate this crisis, as well as extending deferred payment arrangements.

**4. Credit Reporting.** The ORS Motion and Commission Order requests that Piedmont mitigate negative reporting to credit reporting agencies from non-payment or late-payment of customer bills. Piedmont only sends “closed” final billed debts to outside collection agencies; accordingly, none of the accounts for which disconnection has been suspended would, as yet, have been reported to a collection agency or credit reporting bureau.

**5. Communication Regarding Safety Net Provisions.** Piedmont is currently in the middle of a payment arrangement campaign to inform identified residential and small/medium business customers in arrears about several payment arrangement options through emails, text messages, and outbound calls. The individuals targeted during this campaign have the opportunity to click a personalized link provided in the message and submit a form to have their deferred payment arrangement processed or talk with a customer care specialist about their

options. This outreach will help customers by giving them the opportunity to make payments on their past due account balance and avoid disconnects when Piedmont resumes normal business practices. To address questions that customers may have, Piedmont is sending email communications to residential and small/medium business customers. In addition, Piedmont has created a COVID-19 website that is refreshed regularly with helpful resources for customers. The site is [www.piedmontng.com/customer-service/covid-19](http://www.piedmontng.com/customer-service/covid-19).

Finally, Piedmont will abide by the Commission's Order No. 2020-374 which requires the Companies to refer any customer needing assistance to local organizations, and/or arrange payment plans that will avoid or minimize penalties and service interruptions prior to termination of any utility service, in addition to applying the appropriate Commission Regulations related to termination of service. Piedmont is actively communicating its plans to address customer concerns resulting from the pandemic with its partner relief organizations in South Carolina.

**6. Planning Return to Normal Operations:** Piedmont's goal is to work with its customers as South Carolina continues to open its economy. We understand that many of our customers are fearful of being disconnected. While we do plan on re-instituting certain normal business practices in early July, Piedmont does not anticipate reinstituting disconnections in July. We are working hard to avoid disconnections. The proactive outreach described in these comments will be ongoing for several weeks. Our goal is to prevent a disconnection notice from even being necessary—that is possible if we are successful in getting customers onto deferred payment arrangements ahead of disconnection notices in order to keep continuity of service. Disconnection is only a last resort, and even in the event that no other option exists to resolve non-payments, we do not expect the process to result in actual physical disconnection prior to late summer.

Our workforce will also return to our offices on a staggered time frame, and in response to current conditions, starting slowly in June, 2020. We are abiding by CDC guidance on social distancing and protections for our employees and those they encounter, including customers, vendors and stakeholders. A return to normal operations is dependent upon whether COVID-19 decreases or increases over time, and any second wave could trigger additional actions.

### **III. Financial Impacts and Quarterly Reports**

In response to the ORS Motion, the Commission's Order requires "utilities to track revenue impacts, incremental costs and savings related to COVID-19 on a quarterly basis, beginning as soon as possible, but no later than the end of the second quarter of 2020." Piedmont agrees with ORS's observation that reduced usage is impacting the fixed cost recovery and revenue assumptions included in rates designed to collect costs incurred in serving customers and that accurate data is essential. The costs include not only ongoing operational and financing costs necessary to serve customers, but the borrowings necessary to support extended payment arrangements. Piedmont is tracking costs, revenue impacts and savings related to COVID-19 on a quarterly basis and will provide the findings to the Commission within 30-days of each quarter's end beginning with the second quarter of 2020.

### **IV. Additional Requested Information**

The Commission also requested information related to the waiver of regulations related to late payment charges, the waiver of reconnection fees,<sup>1</sup> and other matters as addressed in Order No. 2020-374. Piedmont believes that the comments provided above address the issues raised in the ORS Motion in this regard.

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<sup>1</sup> Inasmuch as Piedmont has ceased terminations of service for non-payment in light of the pandemic, Piedmont has no associated reconnections or reconnection fees.

### **Conclusion**

WHEREFORE, Piedmont respectfully requests that the Commission receive, review, and consider its comments on the matters described above in its further deliberations in this proceeding.

Respectfully submitted this 22nd day of May, 2020.

**PIEDMONT NATURAL GAS COMPANY, INC.**

/s/ T. Richmond McPherson  
T. Richmond McPherson

OF COUNSEL:  
McGuireWoods LLP  
201 North Tryon Street, Suite 3000  
Charlotte, North Carolina 28202  
Telephone: (704) 343-2262



**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Comments of Piedmont Natural Gas Company, Inc., filed in Docket No. 2020-106-A, was served electronically upon all parties of record.

This the 22nd day of May, 2020.

/s/ Brooke M. Szymanski

Brooke M. Szymanski